

CHICAGO BUSINESS ACTIVITY INDEX – April 2018

CBAI decreased in February

The Chicago Business Activity Index (CBAI) decreased to 98.7 in February from 102.7 in January. The decrease is mainly attributed to the decline in retail sales.

In February, the national and regional economies presented mixed features. The Federal Reserve Board announced that industrial production rose 1.1 percent in February following a decline of 0.3 percent in January. Manufacturing production increased 1.2 percent in February, its largest gain since October. Capacity utilization for the industrial sector climbed 0.7 percentage point in February to 78.1 percent, its highest reading since January 2015 but still 1.7 percentage points below its long-run (1972–2017) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) went up to +0.88 in February from +0.02 in January. In the Chicago region, employment in the manufacturing increased 0.25 percent and employment in the nonmanufacturing sector increased 0.22 percent in February. Employment in the construction sector increased 3.90 percent and retail sales are estimated to have decreased 0.32 percent during the same period.

In the coming months, the national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is above its historical trend. Total nonfarm payroll employment edged up by 103,000 in March, and the unemployment rate was unchanged at 4.1 percent. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy is expected to continue its expansion trend over the next several months.

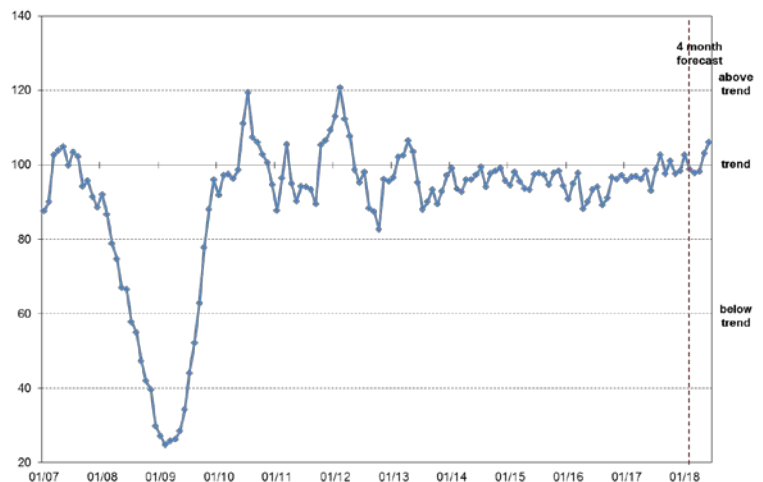
Chicago Business Activity Index

Release Date:
April 18, 2017

Next Release Date:
May 18, 2018

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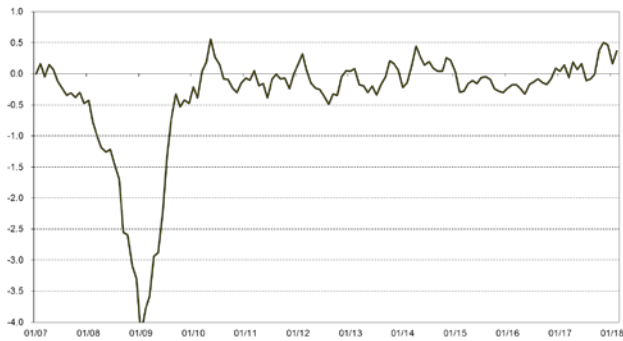
CBAI (Current: 100.2)			
	1 month	3 month	1 year
Historical (ago)	102.7	97.7	96.7
Forecast (ahead)	97.7	103.1	-



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* January 2007 = 100

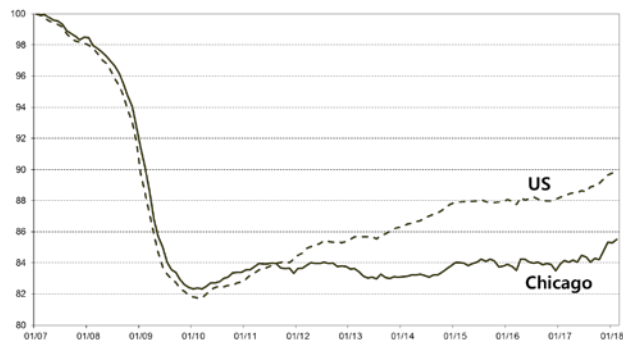
Chicago Fed National Activity Index(CFNAI-MA3)



Retail Sales



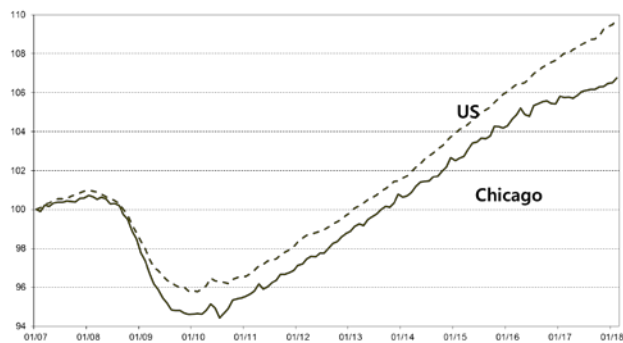
Manufacturing Employment



Construction Employment



Non-manufacturing Employment



Economic Activity: Summary

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.88	0.73	0.25	1.61	0.87	0.25
NMfgn	1.59	0.43	0.22	0.95	0.40	0.22
Cons	3.56	1.92	0.92	2.29	2.31	3.90
Retail	4.34	-0.41	-0.10	5.41	1.10	-0.32

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the Chicago metropolitan area. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.

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For more information, please contact:
 Haozhi Pan, Post-doctoral Researcher
hpan8@illinois.edu

University of Illinois at Urbana-Champaign
 67 Mumford Hall, 1301 West Gregory Drive
 Urbana, IL 61801; www.real.illinois.edu